



April 7, 2023

Dear Fellow Stockholder:

The annual meeting of stockholders of First Ottawa Bancshares, Inc. will be held at the offices of First Ottawa Bancshares, Inc., located at 701 LaSalle Street, Ottawa, Illinois 61350, on Wednesday, May 17, 2023 at 3:00 p.m., local time.

The annual meeting will be held for the purposes of electing three persons to serve as Class III directors and transacting such other business as may properly come before the meeting. We recommend that you vote your shares “**FOR**” the director nominees.

Please read the enclosed proxy statement and then complete, sign and date the enclosed proxy form and return it in the accompanying postage-paid return envelope as promptly as possible. This will save us additional expense in soliciting proxies and will ensure that your shares are represented at the annual meeting.

The 2022 annual report to stockholders, including financial statements, is furnished with the enclosed notice of meeting and proxy statement.

Sincerely,

A handwritten signature in black ink that reads 'Steven Gonzalo'.

STEVEN M. GONZALO
CEO and President
First Ottawa Bancshares, Inc.



**NOTICE OF
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 17, 2023**

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of First Ottawa Bancshares, Inc. will be held at our offices located at 701 LaSalle Street, Ottawa, Illinois 61350, on Wednesday, May 17, 2023 at 3:00 p.m., local time, for the following purposes:

1. to elect three Class III directors for a term of three years; and
2. to transact such other business as may properly be brought before the annual meeting or any adjournments or postponements of the meeting.

Only stockholders of record at the close of business on March 20, 2023 will be entitled to notice of, and to vote at, the annual meeting. If there is an insufficient number of votes for a quorum, the meeting may be adjourned or postponed to permit First Ottawa to continue to solicit proxies.

By order of the board of directors,

Vincent G. Easi
Corporate Secretary

Ottawa, Illinois
April 7, 2023

PLEASE COMPLETE, SIGN, AND DATE THE PROXY FORM FOR THE ANNUAL MEETING AND PROMPTLY RETURN IT IN THE ENCLOSED, PRE-ADDRESSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

FIRST OTTAWA BANCSHARES, INC.

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

MAY 17, 2023

This proxy statement is furnished in connection with the solicitation of proxies on behalf of the board of directors of First Ottawa Bancshares, Inc. to be used at the annual meeting of stockholders to be held on May 17, 2023, and at any adjournments or postponements of the meeting. First Ottawa Bancshares, Inc., a Delaware corporation, is the holding company for American Commercial Bank & Trust, National Association, a national banking association located in Ottawa, Illinois. This proxy statement is first being mailed to First Ottawa's stockholders on or about April 7, 2023. As used in this proxy statement, unless the context indicates otherwise, the terms "First Ottawa," "we," "us" and "our" refer to First Ottawa Bancshares, Inc. and its consolidated subsidiaries, and the term "Bank" refers to American Commercial Bank & Trust, National Association.

The following information regarding the meeting and the voting process is presented in a question and answer format.

Q. Why am I receiving this proxy statement and proxy form?

- A. You are receiving a proxy statement and proxy form from us because on March 20, 2023, you owned shares of First Ottawa common stock. This proxy statement describes the matters that will be presented for consideration by the stockholders at the annual meeting. It also gives you information concerning these matters to assist you in making an informed decision.

When you sign the enclosed proxy form, you appoint the proxy holders as your representatives at the meeting. The proxy holders will vote your shares as you have instructed in the proxy form, which ensures that your shares will be voted whether or not you attend the meeting. Even if you plan to attend the meeting, you should complete, sign and return your proxy form in advance of the meeting just in case your plans change.

If you have signed and returned the proxy form and an issue comes up for a vote at the meeting that is not identified on the form, the proxy holders will vote your shares, pursuant

to your proxy, in accordance with their judgment.

Q. What matters will be voted on at the meeting?

- A. You are being asked to vote on the election of three Class III directors for a term expiring in 2026.

Q. How do I vote?

- A. You may vote either by mail, online or in person at the meeting. To vote by mail, complete and sign the enclosed proxy form and mail it in the enclosed pre-addressed envelope. No postage is required if mailed in the United States. If you mark your proxy form to indicate how you want your shares voted, your shares will be voted as you instruct.

If you sign, date and return your proxy form but do not mark the form to provide voting instructions, the shares represented by your proxy form will be voted "for" the nominees named in this proxy statement.

To vote online, please follow the instructions contained on your proxy card.

If you want to vote in person, please come to the meeting. We will distribute written ballots to any stockholder who wants to vote at the meeting. Please note, however, that if your shares are held in the name of your broker or other fiduciary (or in what is usually referred to as “street name”), you will need to arrange to obtain a “legal proxy” from your broker or other fiduciary in order to vote in person at the meeting. Even if you plan to attend the meeting, you should complete, sign and return your proxy form in advance of the meeting just in case your plans change.

Q. What does it mean if I receive more than one proxy form?

- A. It means that you have multiple holdings reflected in our stock transfer records or in accounts with stockbrokers. Please complete, sign, date and return **ALL** proxy forms to ensure that all of your shares are voted.

Q. If I hold shares in the name of a broker or other fiduciary, who votes my shares?

- A. If your shares are held in the name of your broker or other fiduciary, your broker or other fiduciary should have given you instructions for directing how they should vote your shares. It will then be their responsibility to vote your shares for you in the manner you direct. If you want to vote in person at the meeting, you will need to arrange to obtain a “legal proxy” from your broker or other fiduciary in order to vote in person at the meeting.

We encourage you to provide directions to your broker or other fiduciary as to how you want your shares voted on the matters to be brought before the meeting. You should do this by carefully following the instructions your broker or other fiduciary gives you concerning its procedures. This ensures that your shares will be voted at the meeting.

Q. What if I change my mind after I return my proxy?

- A. If you hold your shares in your own name, you may revoke your proxy and change your vote at any time before the polls close at the meeting. You may do this by:

- signing another proxy with a later date and returning that proxy to:

Continental Stock Transfer &
Trust Company
1 State Street
Floor 30
New York City, NY, 10275-0741;

- sending notice to us at the address above that you are revoking your proxy; or
- voting in person at the meeting.

If you hold your shares in the name of your broker or other fiduciary and desire to revoke your proxy, you will need to contact your broker or other fiduciary directly.

Q. How many votes do we need to hold the annual meeting?

- A. A majority of the shares that are outstanding and entitled to vote as of the record date must be present in person or by proxy at the meeting in order to hold the meeting and conduct business.

Shares are counted as present at the meeting if the stockholder either:

- is present in person at the meeting; or
- has properly submitted a signed proxy form or other proxy.

On March 20, 2023, the record date, there were 901,227 shares of common stock issued and outstanding that are entitled to vote.

Q. What happens if a nominee is unable to stand for election?

- A. The board may, by resolution, provide for a lesser number of directors or designate a substitute nominee. If the board designates a substitute nominee, shares represented by proxies may be voted for a substitute nominee. You cannot vote for more than three nominees. The board has no reason to believe the nominees listed in this proxy statement will be unable to stand for election.

Q. How many votes may I cast?

- A. Generally, you are entitled to cast one vote for each share of voting stock you owned on the record date. The proxy form included with this proxy statement indicates the number of shares owned by an account attributable to you.

Q. How many votes are needed for approval of the directors?

- A. The three individuals receiving the highest number of votes cast “for” their election will be elected as Class III directors of First Ottawa. All other matters must receive the affirmative vote of a majority of the shares present in person or by proxy at the meeting and entitled to vote.

Broker non-votes will not be counted as entitled to vote. Abstentions and broker non-votes will not have an effect on the election of directors. Broker non-votes will not have an effect on or any other matter properly brought before the meeting, but abstentions will have the effect of a vote against any other matter properly brought before the meeting. We will announce voting results at the meeting.

Q. Who bears the cost of soliciting proxies?

- A. We will bear the cost of soliciting proxies. In addition to solicitations by mail, officers, directors or employees of First Ottawa or its subsidiary may solicit proxies in person or by telephone. These persons will not receive any special or additional compensation for

soliciting proxies. We may reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders.

Q. Is First Ottawa subject to corporate governance reforms applicable to publicly traded companies?

- A. Regulators and the investment public have placed an increased emphasis on corporate governance and the manner in which boards of directors oversee companies. Because our common stock is not traded on a national securities exchange, we are not required to comply with many of the rules and regulations that are imposed on larger, publicly traded companies.

Moreover, banking regulators focus on the issue of corporate governance and have either implemented rules or issued guidance that affect many financial institutions. The banking industry has always been subject to a greater degree of scrutiny than non-public companies in unregulated industries.

We have long believed that many of the governing principles that are imposed on public reporting companies through rules and regulations are important. For this reason, and to the extent that we did not already have them in place, we have voluntarily incorporated many of them into the practices and policies of our board and executive management. For many years a significant portion of our board has been comprised of independent, outside directors. These independent directors help to oversee the different functions of our organization, and we adopted policies to guard against conflicts of interest with our directors. We believe that strong corporate governance directly benefits stockholders and customers because they can have more confidence that First Ottawa is being managed appropriately.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock at December 31, 2022, by each director or nominee, and by all directors and all executive officers of First Ottawa as a group. Beneficial ownership has been determined for this purpose in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, under which a person is deemed to be the beneficial owner of securities if he or she has or shares voting power or investment power with respect to such securities or has the right to acquire beneficial ownership of such securities within 60 days.

<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership⁽¹⁾</u>	<u>Percent of Class⁽²⁾</u>
Directors		
Bradley J. Armstrong ⁽³⁾	6,186	*
Christina M. Cantlin-VanWiggeren	820	*
Joseph Chiariello	41,417	4.6%
Lynn M. Dubajic Kellogg ⁽⁴⁾	4,926	*
Steven M. Gonzalo	13,064	1.5%
Donald J. Harris ⁽⁵⁾	3,436	*
Daniel K. Miller	124,871	14.0%
William K. Walsh ⁽⁶⁾	25,230	2.8%
Brian P. Zabel ⁽⁷⁾	3,829	*
Directors and Executive Officers as a Group (13 persons)	228,828	25.7%

* Less than one percent.

- (1) Except as otherwise indicated in the notes to this table, each person named in the table has sole voting and investment power over the number of shares of common stock listed opposite his or her name.
- (2) Based upon shares of common stock issued and outstanding at December 31, 2022.
- (3) Includes 2,100 shares held jointly with his spouse, over which Mr. Armstrong shares voting and investment power.
- (4) Includes 1,786 shares held jointly with her spouse, over which Ms. Dubajic Kellogg shares voting and investment power. Also includes 3,110 shares held by her spouse, over which Ms. Dubajic Kellogg shares no voting or investment power.
- (5) Includes 838 shares held jointly with his spouse, over which Mr. Harris shares voting and investment power.
- (6) Includes 1,880 shares held jointly with his spouse, over which Mr. Walsh shares voting and investment power. Also includes 3,044 shares held by his spouse or children, over which Mr. Walsh shares no voting or investment power.
- (7) Includes 100 shares held jointly with his spouse, over which Mr. Zabel shares voting and investment power.

ELECTION OF DIRECTORS

Our directors are divided into three classes having staggered terms of three years. At the annual meeting, stockholders will be entitled to elect three Class III directors for a term expiring in 2026 or until their respective successors are elected and qualified.

Currently, we have nine directors serving on our board, a majority of whom are considered to be “independent” directors. Independent directors are non-insiders whom the full board has determined do not have other relationships with First Ottawa that would prevent them from making objective, independent decisions. Each director of First Ottawa also serves as a director of American Commercial Bank & Trust, National Association and its subsidiary, First Ottawa Financial Corporation.

Generally, the board oversees our business and risk management and monitors the performance of management and does not involve itself in the day-to-day operations of First Ottawa, which are monitored by our executive officers and management. Our directors fulfill their duties and responsibilities by attending regular meetings of the board, and through committee membership.

Our board has established a fully independent Audit/Compliance Committee that oversees the relationship with our accountants. The Nominating and Corporate Governance Committee considers nominees for directors to be presented to stockholders and evaluates all potential nominees for election, including incumbent directors, board nominees and any stockholder nominees included in the proxy statement, in the same manner. Generally, the board believes that, at a minimum, directors should possess certain qualities, including the highest personal and professional ethics and integrity, a sufficient educational and professional background, demonstrated leadership skills, sound judgment, and a strong sense of service to the communities which we serve. In addition, the Compensation Committee determines the compensation levels for our executive officers, with our chief executive officer not participating in the consideration of his own compensation. Our independent directors meet in “executive session” without any inside directors or management at least once a year.

The proxy provides instructions for voting for all director nominees or for withholding authority to vote for one or more director nominees. Unless instructed to the contrary, the persons acting under your proxy will vote for the nominees listed below. In the event, however, that any nominee shall be unable to serve, which is not now contemplated, the proxy holders reserve the right to vote at the annual meeting for a substitute nominee.

Delaware law and our bylaws provide limitations on the manner in which a stockholder can nominate a director to stand for election or have a proposal voted on by stockholders at the annual meeting. Generally, a stockholder must provide written notice to our Corporate Secretary at our corporate headquarters of the stockholder’s (a) nomination not less than 60 days nor more than 90 days in advance of the first anniversary date of the previous year’s annual meeting and (b) proposal not less than 60 days in advance of the first anniversary date of the previous year’s annual meeting.¹

Information about Directors and Nominees

The following table contains certain information with respect to each person who has been nominated for election as a director or is a continuing director, including the year each became a director of First Ottawa or of the Bank and his or her position with us. **Our board of directors recommends that you vote your shares “FOR” each nominee.**

¹ Changes meant to conform to Company Bylaws updated in April 2019.

NOMINEES

<u>Name (Age)</u>	<u>Director Since</u>	<u>Positions with First Ottawa or American Commercial Bank & Trust, National Association</u>
CLASS III (Term to Expire in 2026)		
Joseph Chiariello (Age 60)	2018	Director of First Ottawa and American Commercial Bank & Trust, National Association
Lynn M. Dubajic Kellogg (Age 65)	2015	Director and Chairman of First Ottawa and Director of American Commercial Bank & Trust, National Association
William K. Walsh (Age 56)	2014	Director of First Ottawa and American Commercial Bank & Trust, National Association

CONTINUING DIRECTORS

<u>Name (Age)</u>	<u>Director Since</u>	<u>Positions with First Ottawa or American Commercial Bank & Trust, National Association</u>
CLASS I (Term to Expire in 2024)		
Donald J. Harris (Age 68)	2000	Director of First Ottawa and American Commercial Bank & Trust, National Association
Daniel K. Miller (Age 63)	2018	Director and Vice Chairman of First Ottawa and Director and Chairman of American Commercial Bank & Trust, National Association
Brian P. Zabel (Age 46)	2008	Director of First Ottawa and Director of American Commercial Bank & Trust, National Association
CLASS II (Term to Expire in 2025)		
Bradley J. Armstrong (Age 60)	1999	Director of First Ottawa and American Commercial Bank & Trust, National Association
Christina M. Cantlin-VanWiggeren (Age 47)	2023	Director of First Ottawa and American Commercial Bank & Trust, National Association
Steven M. Gonzalo (Age 55)	2014	Director, Chief Executive Officer and President of First Ottawa and American Commercial Bank & Trust, National Association

The business experience of each of the nominees and continuing directors is as follows:

Bradley J. Armstrong has been President of Armstrong & Associates, Inc., a registered investment advisory firm located in Ottawa, since 1987.

Christina M. Cantlin-VanWiggeren has been licensed to practice law in Illinois since 2001. She is a partner at The Cantlin Law Firm, a law firm with offices in Ottawa and Earlville, Illinois. She served as a Judge for the Circuit Court 13th Judicial District in LaSalle County from 2021 until 2023.

Joseph Chiariello has been an executive officer of American Commercial Bank & Trust, National Association since November 2018. Previously he served as Senior Commercial Banking Group Head of the former American Chartered Bank from 2001 to 2016.

Lynn M. Dubajic Kellogg has been the owner of DLK, LLC Business & Economic Development Corporation, an economic development firm, since 2015. Previously she was the Executive Director of the Yorkville Economic Development Corporation from 2000 to 2015.

Steven M. Gonzalo has been President and Chief Executive Officer of American Commercial Bank & Trust, National Association since May 2014 and President and Chief Executive Officer of First Ottawa since June 2018. Prior to that he was Chief Technology Officer of American Commercial Bank & Trust, National Association since joining our organization in 2001, and was Executive Vice President of American Commercial Bank & Trust, National Association since 2007.

Donald J. Harris was Chairman of the Board, Chief Executive Officer and President of First Ottawa, and Chairman of the Board of American Commercial Bank & Trust, National Association from May 2014 to June 2018. Prior to that he was Executive Vice President and Chief Operating Officer of First Ottawa and American Commercial Bank & Trust, National Association since 1999. He was an employee of our organization from 1979 until 2018.

Daniel K. Miller has been an executive officer and Chairman of the Board of American Commercial Bank & Trust, National Association since November 2018. He was a founder, President, Chief Executive Officer, and Director of the former American Chartered Bank from 1987 to 2016.

William K. Walsh has been the President of the Bill Walsh Automotive Group, the parent company for various automobile dealerships and leasing companies, since 2023. Prior to that he was Vice President of the Bill Walsh Automotive Group from 1992 to 2023.

Brian P. Zabel is a certified public accountant and has been the owner and President of Brian Zabel & Associates, PC, an accounting firm, since 2003.

OTHER BUSINESS

It is not anticipated that any matters will be presented to the stockholders other than those mentioned in this proxy statement. However, if other matters are brought before the annual meeting, it is intended that the persons named in the proxies will vote those proxies, provided the proxies are not limited to the contrary, in their discretion.

By order of the board of directors,



Steven M. Gonzalo
Chief Executive Officer and President

Ottawa, Illinois
April 7, 2023

PLEASE COMPLETE, SIGN AND DATE THE PROXY FORM FOR THE ANNUAL MEETING AND PROMPTLY RETURN IT IN THE ENCLOSED, PRE-ADDRESSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.